

106TH CONGRESS  
2D SESSION

# H. R. 5338

To amend the Homeowners Protection Act of 1998 to provide for cancellation of FHA mortgage insurance for mortgages on single family homes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 28, 2000

Mr. HANSEN introduced the following bill; which was referred to the  
Committee on Banking and Financial Services

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## A BILL

To amend the Homeowners Protection Act of 1998 to provide for cancellation of FHA mortgage insurance for mortgages on single family homes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Protection of the  
5       American Dream Act”.

6       **SEC. 2. COVERAGE OF FHA MORTGAGE INSURANCE.**

7       (a) DEFINITION.—Section 2 of the Homeowners Pro-  
8       tection Act of 1998 (12 U.S.C. 4901) is amended by strik-  
9       ing paragraph (11) and inserting the following new para-  
10      graph:

1           “(11) QUALIFIED MORTGAGE INSURANCE.—The  
 2           term ‘qualified mortgage insurance’ means mortgage  
 3           insurance other than mortgage insurance made  
 4           available under title 38 of the United States Code or  
 5           title V of the Housing Act of 1949. The term in-  
 6           cludes mortgage insurance made available under the  
 7           National Housing Act.”.

8           (b) CONFORMING AMENDMENTS.—The Homeowners  
 9           Protection Act of 1998 (12 U.S.C. 4901 et seq.) is  
 10          amended—

11           (1) by striking “private” each place it a ap-  
 12           pears (other than in section 9(b) (12 U.S.C.  
 13           4908(b)) and inserting “qualified”;

14           (2) in the section heading for section 3 (12  
 15           U.S.C. 4902), by striking “**PRIVATE**” and inserting  
 16           “**QUALIFIED**”; and

17           (3) in section 11 (12 U.S.C. 4910), in the sub-  
 18           section heading for subsection (a), by striking  
 19           “PMI” and inserting “QUALIFIED MORTGAGE IN-  
 20           SURANCE”.

21   **SEC. 3. EXCEPTIONS FOR HIGH RISK LOANS.**

22           Section 3(f)(1) of the Homeowners Protection Act of  
 23           1998 (12 U.S.C. 4902(f)(1)) is amended—

24           (1) in subparagraph (A), by striking “section 3;  
 25           or” and inserting “this section;”; and

(2) by redesignating subparagraph (B) as subparagraph (C); and by inserting after subparagraph (A) the following new subparagraph:

“(B) as determined in accordance with regulations issued by the Secretary of Housing and Urban Development, in the case of a mortgage loan that is insured pursuant to the National Housing Act, so as to require the imposition or continuation of a mortgage insurance requirement beyond the terms specified in subsection (a) or (b) of this section.”.

**SEC. 4. MORTGAGE INSURANCE PREMIUMS.**

Subparagraph (B) of section 203(c)(2) of the National Housing Act (12 U.S.C. 1709(c)(2)(B)) is amended by inserting after and below clause (ii) of such subparagraph the following:

“Notwithstanding any other provisions of this Act, a requirement for mortgage insurance under this Act and the obligation under this paragraph for a mortgagor to make annual premium payments for such insurance shall be subject to cancellation and termination pursuant to the Homeowners Protection Act of 1998.”.

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